

Energy Reconciliation Adjustment (ERA) - Sample Calculations

Assumed New Wholesale Rate 8.30 cents/kW.h
 ERA rate (var cost of diesel) 27.99 cents/kW.h per Ph. II Appl.

The **Energy Reconciliation Adjustment** is calculated periodically (using monthly forecasts versus actuals) as follows:

- a) **sales below forecast in a month:** no adjustment for sales more than 10% below GRA forecast in any month
- b) **sales above forecast in a month:** all sales in excess of GRA forecast in any month are subject to the adjustment
- c) **sales in months when diesel not on margin:** no adjustment when diesel not on the margin at average water flows

Values below are calculated monthly. However, in practice (and based on past practice) the adjustment and calculations would be addressed periodically (such as through year-end reconciliation processes).

Case #1 - Diesel on Margin - YECL Loads at GRA Levels

Assumed GRA forecast for sample month	Assumed Actual for sample month	Variance
24,000,000	24,000,000	

No ERA charged/credited - YECL's load did not vary from GRA forecast
 (i.e., Diesel requirement not driven by YECL's loads, but rather by other factors which therefore relate to YEC's customers/operations, so costs are not charged/saving credited to YECL)

YECL's costs do not change whether diesel is on the margin or not, so long as loads remain at the GRA forecast levels

Case #2 - Diesel on Margin - YECL Loads 0.5 GW.h above GRA levels

Assumed GRA forecast for sample month	Assumed Actual for sample month	Variance
24,000,000	24,500,000	500,000
Amount paid under normal ongoing billing related to this month		
24,500,000 x kW.h	8.30 = cents/kW.h	\$ 2,033,500
Amount to be paid under ERA calculation for 24,500,000 kW.h		
24,000,000 x kW.h	8.30 = cents/kW.h	\$ 1,992,000
500,000 x kW.h	27.99 = cents/kW.h	\$ 139,950
		<hr/>
		\$ 2,131,950
Difference - to be paid (refunded) at time of adjustment		\$ 98,450

DAY		
ENTERED BY		
DATE		
EXHIBIT		
B25		
YUKON UTILITIES BOARD		